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Feb. 1, 2003

BEFORE THE BOARD OF MILK CONTROL
OF THE STATE OF MONTANA
NOUNCEMENT OF CLASS I, II & III PRODUCER PRICES



STATE DOCUMENTS COLLECTION



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EFFECTIVE:

February 1, 2003
March 1, 2003
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PRODUCER CLASS I PRICE IN MONTANA

REF: ARM 32.24.301(5)

CLASS I PRICE FOR MILK TESTING 3.5%
CLASS I BUTTERFAT PRICE PER POUND

\$12.78 /CWT
\$1.24 /LB

EFFECTIVE March 1, 2003:

The minimum price to pay milk producers, under ARM 32.24.301, is \$12.78 per hundred pounds of milk testing 3.5% butterfat, f.o.b. the milk distributor's plant.

When milk does not test 3.5% butterfat, compute the applicable price by applying a differential of 12.4 cents for each one-tenth of one percent butterfat above or below the midpoint of each producer payment. The value of one pound of butterfat utilized will be \$1.24.

PRODUCER CLASS II PRICE IN MONTANA

REF: ARM 32.24.301(6)

CLASS II PRICE FOR MILK TESTING 3.5%

\$10.07 /CWT

Average spray process dry milk solids

price per pound = \$0.84750
Multiplied by 8.2 x 8.2

\$6.94950

\$6.94950

Last quote of the month for Grade AA butter
minus a differential of \$.0895 = \$0.96550

Multiplied by 4.2 x 4.2

\$4.05510

+ \$4.05510

\$11.00460

LESS a make allowance of 8.5% (\$11.0046 X .085)

- \$0.93539

\$10.06921

Rounded to the nearest whole cent = \$10.07 /hundredweight.

EFF: March 1, 2003

CLASS II BUTTERFAT PRICE PER POUND**\$1.07 /LB**

Last quote of the month for Grade AA butter				
minus a differential of \$.0895	=	\$0.96550	X .111)	=
Rounded to the nearest half cent				=
				\$0.107
				\$0.107

Butterfat value per pound		
for milk at 3.5% test:	\$1.07	

Hundredweight price of milk testing 3.5%	=	\$10.07
LESS 3.5 pounds of butterfat at	\$1.07 per pound	-
Value of 96.5 pounds of skim	=	\$6.325

**CLASS II VALUE OF
ONE POUND OF SKIM**

6.325 / 96.5 pounds)	=	\$0.06554 /LB
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PRODUCER CLASS III PRICE IN MONTANA

REF: ARM 32.24.301(7)

CLASS III PRICE PER CWT FOR MILK TESTING 3.5%**\$8.61 /CWT**

3.5 pounds of butterfat	\$0.87	per pound =	\$3.045
96.5 pounds of skim	\$0.05768	per pound =	\$5.566
			\$8.611 /CWT

CLASS III BUTTERFAT PRICE PER POUND**\$0.87 /LB**

Last quote of the month for Grade AA butter		
minus a difference of \$.0895	=	\$0.96550
LESS 10%	-	\$0.09655
		\$0.86895

Rounded to the nearest whole cent	=	\$0.87 per pound.
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CLASS III PRICE PER CWT FOR SKIM MILK UTILIZED**\$5.76809 /CWT**

Avg. spray process dry milk solid price/lb :	\$0.84750
Multiplied by 8.2	8.2
	\$6.94950
LESS 17%	\$1.18142
	\$5.76809

Rounded to the nearest whole cent	\$5.77 per hundredweight.
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BY ORDER OF THE MONTANA MILK CONTROL BUREAU

Compiled by:

Monte Nick
 Monte Nick, Bureau Chief
 Montana Milk Control Bureau

BREAKDOWN BY TEST FOR CLASS I, II & III SKIM PRICES

CLASS I SKIM PRICE BASED ON \$12.78 FOR 3.5% MILK 96.5 LBS = \$8.440		CLASS II SKIM PRICE BASED ON \$10.07 FOR 3.5% MILK 96.5 LBS = \$6.325		CLASS III SKIM PRICE BASED ON \$8.61 FOR 3.5% MILK 96.5 LBS = \$5.566	
TEST	PRICE/LB	TEST	PRICE/LB	TEST	PRICE/LB
2.50	\$0.08656	2.50	\$0.06487	2.50	\$0.05709
2.55	\$0.08661	2.55	\$0.06491	2.55	\$0.05712
2.60	\$0.08665	2.60	\$0.06494	2.60	\$0.05715
2.65	\$0.08670	2.65	\$0.06497	2.65	\$0.05718
2.70	\$0.08674	2.70	\$0.06501	2.70	\$0.05721
2.75	\$0.08679	2.75	\$0.06504	2.75	\$0.05724
2.80	\$0.08683	2.80	\$0.06507	2.80	\$0.05727
2.85	\$0.08688	2.85	\$0.06511	2.85	\$0.05729
2.90	\$0.08692	2.90	\$0.06514	2.90	\$0.05732
2.95	\$0.08697	2.95	\$0.06517	2.95	\$0.05735
3.00	\$0.08701	3.00	\$0.06521	3.00	\$0.05738
3.05	\$0.08706	3.05	\$0.06524	3.05	\$0.05741
3.10	\$0.08710	3.10	\$0.06527	3.10	\$0.05744
3.15	\$0.08715	3.15	\$0.06531	3.15	\$0.05747
3.20	\$0.08719	3.20	\$0.06534	3.20	\$0.05750
3.25	\$0.08724	3.25	\$0.06537	3.25	\$0.05753
3.30	\$0.08728	3.30	\$0.06541	3.30	\$0.05756
3.35	\$0.08733	3.35	\$0.06544	3.35	\$0.05759
3.40	\$0.08737	3.40	\$0.06548	3.40	\$0.05762
3.45	\$0.08742	3.45	\$0.06551	3.45	\$0.05765
3.50	\$0.08746	3.50	\$0.06554	3.50	\$0.05768
3.55	\$0.08751	3.55	\$0.06558	3.55	\$0.05771
3.60	\$0.08755	3.60	\$0.06561	3.60	\$0.05774
3.65	\$0.08760	3.65	\$0.06565	3.65	\$0.05777
3.70	\$0.08764	3.70	\$0.06568	3.70	\$0.05780
3.75	\$0.08769	3.75	\$0.06571	3.75	\$0.05783
3.80	\$0.08773	3.80	\$0.06575	3.80	\$0.05786
3.85	\$0.08778	3.85	\$0.06578	3.85	\$0.05789
3.90	\$0.08783	3.90	\$0.06582	3.90	\$0.05792
3.95	\$0.08787	3.95	\$0.06585	3.95	\$0.05795
4.00	\$0.08792	4.00	\$0.06589	4.00	\$0.05798
4.05	\$0.08796	4.05	\$0.06592	4.05	\$0.05801
4.10	\$0.08801	4.10	\$0.06595	4.10	\$0.05804
4.15	\$0.08805	4.15	\$0.06599	4.15	\$0.05807
4.20	\$0.08810	4.20	\$0.06602	4.20	\$0.05810
4.25	\$0.08815	4.25	\$0.06606	4.25	\$0.05813
4.30	\$0.08819	4.30	\$0.06609	4.30	\$0.05816
4.35	\$0.08824	4.35	\$0.06613	4.35	\$0.05819
4.40	\$0.08828	4.40	\$0.06616	4.40	\$0.05822
4.45	\$0.08833	4.45	\$0.06620	4.45	\$0.05825
4.50	\$0.08838	4.50	\$0.06623	4.50	\$0.05828

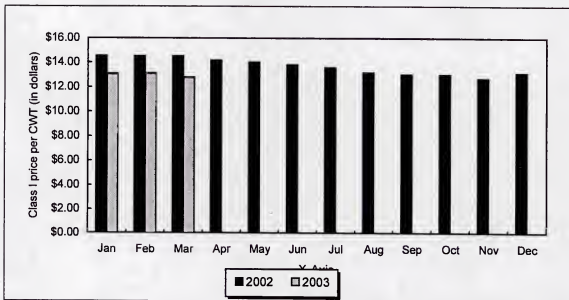
PRODUCER CLASS I PRICE IN MONTANA

Charts below show a class I price comparison for 2002 and 2003

Statistics from the Montana Milk Control Bureau

Month	2002	2003	Difference	% Change
January	\$14.53	\$13.07	(\$1.46)	-10.05%
February	\$14.51	\$13.11	(\$1.40)	-9.65%
March	\$14.50	\$12.78	(\$1.72)	-11.86%
April	\$14.17			
May	\$14.02			
June	\$13.81			
July	\$13.58			
August	\$13.17			
September	\$13.03			
October	\$13.01			
November	\$12.70			
December	<u>\$13.15</u>			
Average	\$13.68	\$12.99	(\$1.53)	-10.52%

Prices are per hundredweight (CWT).

Completion of pooling (prior to audit) shows the producer quota blend prices to be:

DECEMBER 2002: class I = \$7.74; class II = \$0.98; Class III = \$3.24; total = \$11.96

(calculations based upon utilization percentages of butterfat & skim)